INTESA SANPAOLO

Basel 2 Pillar 3

Disclosure as at 30 June 2009

Basel 2 Pillar 3 – Disclosure as at 30 June 2009

Intesa Sanpaolo S.p.A.
Registered office: Piazza San Carlo, 156 10121 Torino Secondary registered office: Via Monte di Pietà, 8 20121 Milano Share capital 6,646,547,922.56 Euro Registration number on the Torino Company Register and Fiscal Code 00799960158 VAT number 10810700152 Member of the National Interbank Deposit Guarantee Fund and of the National Guarantee Fund, included in the National Register of Banks No. 5361 and Parent Company of "Intesa Sanpaolo", included in the National Register of Banking Groups.

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(*) As specifically laid down in the reference regulations, this Table is not required for half-yearly disclosures (see also the "Introduction" to this document); therefore, only a summary update is provided here in lieu of the details contained in the annual report.

Introduction

Notes to the Basel 2 Pillar 3 disclosure

The purpose of the disclosure defined as "Third pillar of Basel 2" is to complement the minimum capital requirements (Pillar 1) and the supervisory review process (Pillar 2), by encouraging market efficiency through the development of a set of disclosure requirements that will allow market participants to assess key pieces of information on regulatory capital, risk exposures, risk assessment processes, and therefore the capital adequacy of the institution. This has particular relevance under the new framework introduced by Basel 2, where reliance on internal methodologies gives banks more discretion in assessing capital requirements.

The procedures to be adopted by Italian banks or banking groups when disclosing information (referred to in brief as Pillar 3) to the public have been laid down by the Bank of Italy in its Circular 263 of 27 December 2006 "New regulations for the Prudential Supervision of banks"(Attachment A, Title IV). This disclosure has been prepared in compliance with these provisions, which incorporate the provisions of Annex XII to EU Directive 2006/48 and the subsequent changes made to the regulatory framework.

This document is broken down, in accordance with the provisions of the abovementioned Circular, into sections called "Tables" and has been drawn up on a consolidated basis with reference to a "prudential" scope of consolidation. The Tables include both a "qualitative section" and a "quantitative section". The "Basel 2 Pillar 3" disclosure is published in accordance with the rules laid down by the Bank of Italy with the following frequency:

– figures as at 31 December: full qualitative and quantitative disclosure;
– figures as at 30 June: update of the quantitative disclosure only, because Intesa Sanpaolo is one of the groups that have adopted IRB and/or AMA approaches for credit and operational risk;
– figures as at 31 March/30 September: update solely of the quantitative disclosure on capital (Table 3) and capital adequacy (Table 4), because Intesa Sanpaolo forms part of the groups that have adopted IRB and/or AMA approaches for credit and operational risk.

Please therefore refer to the document as at 31 December 2008 for a more comprehensive examination of the qualitative aspects. On the other hand, this report highlights the main events which occurred over the first half of the year; in this regard, please note that the scope of consolidation at 30 June 2009 does not differ significantly from the situation at 31 December 2008 and 31 March 2009.

For the sake of completeness, please also note that the information on regulatory capital and capital adequacy is also published in the Half-yearly Report as at 30 June 2009.

All amounts, unless otherwise indicated, are expressed in millions of euro.

The Intesa Sanpaolo Group publishes this disclosure (Basel 2 Pillar 3) and subsequent updates on its website group.intesasanpaolo.com.

Table 1 – General requirements

Qualitative disclosure

Pursuant to the reference regulations issued by the Bank of Italy, the half-yearly "Basel 2 Pillar 3" report does not include qualitative disclosure (the only disclosure provided for this Table). As stated in the Introduction, the reader is referred to the document for the year ended 31 December 2008 for a more comprehensive examination of the qualitative aspects relating to the objectives and policies set in place to manage the Group's various risk categories.
A summary of the Group's approach to risk exposure, management and control is also provided in the Half-yearly Report at 30 June 2009, in the chapter entitled "Risk management".

Table 2 – Scope of application

Quantitative disclosure

Pursuant to the reference regulations issued by the Bank of Italy, the half-yearly "Basel 2 Pillar 3" report does not include qualitative disclosure (which provides full breakdown of the scope of consolidation). In addition, please note that the "prudential" scope of consolidation for the figures as at 30 June 2009 does not differ significantly from the scope as at 31 December 2008 and 31 March 2009.

Name of subsidiaries not included in the consolidation

Entities consolidated in the financial statements and not included in the prudential scope of consolidation as at 30 June 2009

Name of banking subsidiary not included in the consolidation	Consolidation method	
	Consolidated line-by-line	Consolidated at equity
INSURANCE COMPANIES (*)		
CENTROVITA S.P.A.	X	
EURIZONLIFE LTD	X	
EURIZONTUTELA S.P.A.	X	
EURIZONVITA S.P.A.	X	
SUD POLO VITA S.P.A.	X	
VUB POIST'OVACI MAKLER S.R.O.	X	
FINANCIAL COMPANIES		
ADRIANO FINANCE S.R.L. (*)	X	
ADRIANO FINANCE II S.R.L. (*)	X	
ADRIANO FINANCE III S.R.L.	X	
NON-FINANCIAL COMPANIES		
ARTEN SICAV	X	
CANOVA SICAV	X	
CIB CAR TRADING LIMITED LIABILITY COMPANY	X	
CIB EXPERT LTD	X	
CIB INSURANCE BROKER LTD	X	
CIB INVENTORY MANAGEMENT LIMITED LIABILITY COMPANY	X	
CIL BAJOR CO. LTD	X	
CIL DANUBIUS CO. LTD	X	
CIL NAGYTETENY LTD	X	
CIL VACI UT PROPERTY UTILISATION LIMITED LIABILITY COMPANY	X	
CIL-FOOD 2006 LTD	X	
CIMABUE SICAV	X	
DELTA DIVERSIFIED	X	
DUOMO FUNDING PLC	X	

(*) A SPV for securitisation transactions whose securitised assets have not been derecognised for supervisory purposes by the Group Company that originated the securitisation.

Name of banking subsidiary not included in the consolidation	Consolidation method	
	Consolidated line-by-line	Consolidated at equity
FIDEURAM FUND BOND GLOBAL EMERGING MARKETS	X	
FIDEURAM FUND BOND GLOBAL HIGH YIELD	X	
FIDEURAM FUND BOND USD	X	
FIDEURAM FUND EQUITY EUROPE	X	
FIDEURAM FUND EQUITY EUROPE GROWTH	X	
FIDEURAM FUND EQUITY EUROPE VALUE	X	
FIDEURAM FUND EQUITY GLOBAL EMERGING MARKETS	X	
FIDEURAM FUND EQUITY ITALY	X	
FIDEURAM FUND EQUITY JAPAN	X	
FIDEURAM FUND EQUITY PACIFIC EX JAPAN	X	
FIDEURAM FUND EQUITY USA	X	
FIDEURAM FUND EQUITY USA GROWTH	X	
FIDEURAM FUND EQUITY USA VALUE	X	
FIDEURAM FUND EURO BOND LONG RISK	X	
FIDEURAM FUND EURO BOND LOW RISK	X	
FIDEURAM FUND EURO BOND MEDIUM RISK	X	
FIDEURAM FUND EURO DEFENSIVE BOND	X	
FIDEURAM FUND ZERO COUPON 2009	X	
FIDEURAM FUND ZERO COUPON 2010	X	
FIDEURAM FUND ZERO COUPON 2011	X	
FIDEURAM FUND ZERO COUPON 2012	X	
FIDEURAM FUND ZERO COUPON 2013	X	
FIDEURAM FUND ZERO COUPON 2014	X	
FIDEURAM FUND ZERO COUPON 2015	X	
FIDEURAM FUND ZERO COUPON 2016	X	
FIDEURAM FUND ZERO COUPON 2017	X	
FIDEURAM FUND ZERO COUPON 2018	X	
FIDEURAM FUND ZERO COUPON 2019	X	
FIDEURAM FUND ZERO COUPON 2020	X	
FIDEURAM FUND ZERO COUPON 2021	X	
FIDEURAM FUND ZERO COUPON 2022	X	
FIDEURAM FUND ZERO COUPON 2023	X	
FIDEURAM FUND ZERO COUPON 2024	X	
FIDEURAM FUND ZERO COUPON 2025	X	
FIDEURAM FUND ZERO COUPON 2026	X	
FIDEURAM FUND ZERO COUPON 2027	X	
FIDEURAM FUND ZERO COUPON 2028	X	
FIDEURAM FUND ZERO COUPON 2029	X	
FIDEURAM FUND ZERO COUPON 2030	X	
FIDEURAM FUND ZERO COUPON 2031	X	
FIDEURAM FUND ZERO COUPON 2032	X	
FIDEURAM FUND ZERO COUPON 2033	X	
FIDEURAM FUND ZERO COUPON 2034	X	
FIDEURAM FUND ZERO COUPON 2035	X	
FIDEURAM FUND ZERO COUPON 2036	X	
FIDEURAM FUND ZERO COUPON 2037	X	
FIDEURAM FUND ZERO COUPON 2038	X	
FIDEURAM FUND ZERO COUPON 2039	X	
FOCUS RENDIMENTO ASSOLUTO 5 ANNI	X	
FONDO CARAVAGGIO	X	
LEVANNA SICAV	X	
LUNAR FUNDING V PLC	X	
MARGIT BUSINESS CENTER LIMITED LIABILITY COMPANY	X	
OBUDA DUNAPART LTD	X	
ROMULUS FUNDING CORPORATION	X	
SANPAOLO INTERNATIONAL FORMULAS FUND	X	
SP LUX SICAV II	X	
SPLIT 2 S.R.L. (*)	X	
SPQR II S.R.L. (*)	X	
TIEPOLO SICAV	X	

(*) A SPV for securitisation transactions whose securitised assets have not been derecognised for supervisory purposes by the Group Company that originated the securitisation.

For the sake of completeness, please note that the prudential scope of consolidation also provides for proportional consolidation of the entities subject to joint control.

Aggregate amount of the capital deficiencies of the subsidiaries not included in the scope of consolidation with respect to the mandatory capital requirements

As at 30 June 2009 there were no capital deficiencies of the subsidiaries not included in the scope of consolidation with respect to the mandatory capital requirements.

Table 3 – Regulatory capital structure

Quantitative disclosure

Regulatory capital structure

The structure of the regulatory capital of the Intesa Sanpaolo Group as at 30 June 2009 is summarised in the table below:

(in millions of euro)

Information	30.6.2009	31.12.2008
A. Tier 1 capital before the application of prudential filters	**30,448**	**29,352**
B. Tier 1 capital prudential filters	**-1,264**	**-1,639**
B.1 Positive IAS/IFRS prudential filters (+)	-	-
B.2 Negative IAS/IFRS prudential filters (-)	-1,264	-1,639
C. Tier 1 capital before items to be deducted (A+B)	**29,184**	**27,713**
D. Items to be deducted from Tier 1 capital	**742**	**639**
E. Total Tier 1 capital (C-D)	**28,442**	**27,074**
F. Tier 2 capital before the application of prudential filters	**15,585**	**15,387**
G. Tier 2 capital prudential filters	**-**	**-**
G.1 Positive IAS/IFRS prudential filters (+)	-	-
G.2 Negative IAS/IFRS prudential filters (-)	-	-
H. Tier 2 capital before items to be deducted (F+G)	**15,585**	**15,387**
I. Items to be deducted from Tier 2 capital	**742**	**639**
L. Total Tier 2 capital (H-I)	**14,843**	**14,748**
M. Items to be deducted from total Tier 1 and Tier 2 capital	**2,827**	**2,774**
N. Regulatory capital (E+L-M)	**40,458**	**39,048**
O. Tier 3 capital	**30**	**30**
P. Regulatory capital including Tier 3 (N+O)	**40,488**	**39,078**

As at 30 June 2009, regulatory capital amounted to 40,458 million euro and total capital, including Tier 3 subordinated loans, was 40,488 million euro. Please note that regulatory capital includes 100% of the net income for the period, amounting to 1,588 million euro, since – given the persisting volatility of the economy – it seems premature to envisage a potential allocation of net income for the period, though the intention to resume distribution of cash dividends also on ordinary shares already from year-end 2009, is confirmed.

Against risk-weighted assets of 369,740 million euro, mostly deriving from credit and counterparty risks and, to a lesser extent, from market and operational risks (see Table 4 below), Total capital ratio thus stood at 11.0%, while the Group's Tier 1 ratio was 7.7%. The ratio of Tier 1 capital net of preferred shares to risk-weighted assets (Core Tier 1) was 6.9%.

The breakdown of Tier 1, Tier 2 and Tier 3 capitals is provided below.

Tier 1 capital

(in millions of euro)

Information	30.6.2009	31.12.2008
TOTAL TIER 1 CAPITAL(*)		
Breakdown of positive items		
- Share capital	7,085	7,091
- Share premium reserve	33,235	33,229
- Reserves and net income	12,490	10,997
- Non-innovative equity instruments	-	-
- Innovative equity instruments	3,000	2,998
- Positive prudential IAS / IFRS filters (+)		
Fair value option: changes in bank's own creditworthiness	-	-
Redeemable shares	-	-
Capital resources forming the object of forward purchase commitments included in tier 1 capital	-	-
Other positive prudential filters	-	-
TOTAL POSITIVE ITEMS	**55,810**	**54,315**
Breakdown of negative items		
- Own shares or quotas	-	-2
- Goodwill	-19,625	-20,027
- Other intangible assets	-5,737	-4,934
- Loss for the period	-	-
- Adjustments to loans	-	-
- Adjustments calculated on the regulatory trading book	-	-
- Other	-	-
- Negative prudential IAS / IFRS filters (-)		
Fair value option: changes in bank's own creditworthiness	-36	-110
Negative reserves on equities and quotas of UCI available for sale	-109	-120
Negative reserves on debt securities available for sale	-600	-855
Net accumulated capital gain on tangible assets	-	-
Capital resources forming the object of forward purchase commitments included in tier 1 capital	-	-
Other negative prudential filters	-519	-554
TOTAL NEGATIVE ITEMS	**-26,626**	**-26,602**
TOTAL TIER 1 CAPITAL BEFORE ITEMS TO BE DEDUCTED	**29,184**	**27,713**
TOTAL ITEMS TO BE DEDUCTED	**-742**	**-639**
TOTAL TIER 1 CAPITAL NET OF ITEMS TO BE DEDUCTED	**28,442**	**27,074**

(*) Each item includes Group and minority interests in shareholders' equity

“Total items to be deducted” include 148 million euro for the excess expected losses with respect to total adjustments (50% of total excess of 296 million euro), as required by the regulations when the IRB models are adopted (126 million euro and 252 million euro, respectively, as at 31 December 2008).

Tier 2 capital

(in millions of euro)

Information	30.6.2009	31.12.2008
TIER 2 CAPITAL (*)		
- Valuation reserves - Tangible assets		
Legally-required revaluations	*352*	*352*
Property and equipment used in operations	-	-
- Valuation reserve - Securities available for sale		
Equities and quotas of UCI	-	-
Debt securities	-	-
- Non-innovative equity instruments not included in tier 1 capital	-	-
- Innovative equity instruments not included in tier 1 capital	-	-
- Hybrid capital instruments	1,740	1,734
- Tier 2 subordinated liabilities	13,645	13,415
- Positive prudential IAS / IFRS filters (+)		
Excess total adjustments with respect to expected losses	-	-
Net capital gains on equity investments	-	-
Other positive items	-	-
TOTAL POSITIVE ITEMS	**15,737**	**15,501**
- Net capital losses on equity investments	-46	-45
- Loans	-	-
- Other negative items	-106	-69
- Negative prudential IAS / IFRS filters (-)		
Portion not included of the valuation reserve on property and equipment used in operations	-	-
Portion not included of positive reserves on securities available for sale - Equities	-	-
Portion not included of positive reserves on securities available for sale - Debt securities	-	-
Tier 2 subordinated liabilities and hybrid capital instruments forming the object of forward purchase commitments not included in tier 2 capital	-	-
Other negative filters	-	-
TOTAL NEGATIVE ITEMS	**-152**	**-114**
TOTAL TIER 2 CAPITAL BEFORE ITEMS TO BE DEDUCTED	**15,585**	**15,387**
TOTAL ITEMS TO BE DEDUCTED	**-742**	**-639**
TOTAL TIER 2 CAPITAL NET OF ITEMS TO BE DEDUCTED	**14,843**	**14,748**

(*) Each item includes Group and minority interests in shareholders' equity

"Total items to be deducted" include 148 million euro for the excess expected losses with respect to total adjustments (50% of total excess of 296 million euro), as required by the regulations when the IRB models are adopted (126 million euro and 252 million euro, respectively, as at 31 December 2008).

Tier 3 capital

(in millions of euro)

Information	30.6.2009	31.12.2008
TIER 3 CAPITAL	**30**	**30**
TOTAL POSITIVE ITEMS	**30**	**30**
- Tier 2 subordinated liabilities not included in tier 2 capital	-	-
- Tier 3 subordinated liabilities	30	30
TOTAL NEGATIVE ITEMS	-	-
- Prudential filters: deductions from tier 3 capital		
Tier 2 and 3 subordinated liabilities forming the object of forward purchase commitments not included in tier 3 capital	-	-
- Other deductions	-	-

Table 4 – Capital adequacy

Quantitative disclosure

Before illustrating quantitative data it should be noted that for the purposes of the internal capital adequacy assessment process (ICAAP - under Pillar II of Basel 2), the Group has presented its interim and final reports for 2008 (inclusive of the forecast to year-end 2009), as “class 1” banking group, according to the Bank of Italy’s classification, based on the extensive use of internal methodologies for measurement of risk, internal capital and total capital available. The assessment revealed adequate capitalisation under both normal and stress conditions.

Capital requirements and capital ratios of the Intesa SanPaolo Group

(in millions of euro)

Information	30.6.2009			31.12.2008		
	Unweighted assets	RWA	Capital requirement	Unweighted assets	RWA	Capital requirement
A. CAPITAL REQUIREMENTS						
A.1 Credit and counterparty risks	**560,481**	**325,395**	**26,032**	**582,919**	**335,556**	**26,844**
1. Standard methodology	363,346	177,966	14,237	387,507	194,458	15,557
2. Internal models (IRB)	189,337	143,696	11,496	187,208	138,199	11,055
3. Securitised exposures	7,798	3,733	299	8,204	2,899	232
A.2 Market risk		**14,702**	**1,176**		18,046	**1,444**
1. Standard methodology		12,728	1,018		15,534	1,243
2. Internal models		1,899	152		2,475	198
3. Concentration risk		75	6		38	3
A.3 Operational risk		**29,243**	**2,339**		29,080	**2,327**
1. Basic indicator approach		1,025	82		875	70
2. Standardised approach		28,218	2,257		28,205	2,257
3. Advanced approach		-	-		-	-
A.4 Other risks		**400**	**32**		390	**31**
A.5 Total capital requirements		**369,740**	**29,579**		383,072	**30,646**
B. CAPITAL RATIOS (%)						
B.1 Core Tier 1			**6.9**			**6.3**
B.2 Tier 1 ratio			**7.7**			**7.1**
B.3 Total capital ratio			**11.0**			**10.2**

The tables below provide details of the Group’s different capital requirements as at 30 June 2009.

Capital requirement for Credit and Counterparty Risk (Standardised Approach)

(in millions of euro)

Regulatory portfolio	Capital requirement	
	30.6.2009	31.12.2008
Exposures to or secured by governments and central banks	93	77
Exposures to or secured by local authorities	265	246
Exposures to or secured by not for profit and public sector organisations	161	201
Exposures to or secured by multilateral development banks	-	-
Exposures to or secured by international organisations	-	-
Exposures to or secured by supervised institutions	1,077	1,465
Exposures to or secured by corporates	4,997	5,795
Retail exposures	3,605	3,581
Exposures secured by real estate property	2,260	2,355
Past due exposures	688	577
High-risk exposures	66	71
Exposures in the form of guaranteed bank bonds (covered bonds)	-	-
Short-term exposures to corporates	125	133
Exposures to UCI	66	94
Other exposures	834	962
Total Capital requirement for credit risk and counterparty risk (Standardised Approach)	**14,237**	**15,557**

Capital requirement for Credit and Counterparty Risk (Foundation IRB Approach)

(in millions of euro)

Regulatory portfolio	Capital requirement	
	30.6.2009	31.12.2008
Exposures to or secured by corporates	**11,434**	**11,003**
Specialised lending	316	253
Specialised lending - slotting criteria	121	120
SMEs	3,598	3,457
Other corporates	7,399	7,173
Equities (simple risk weight approach)	**62**	**52**
Exchange-traded exposures	12	7
Private equity exposures	15	14
Other	35	31
Exposures subject to supervisory transition regarding capital requirements	**-**	**-**
Total Capital requirement for Credit Risk (IRB Approach)	**11,496**	**11,055**

The equity exposures, for the companies that have adopted the IRB approach for the corporate regulatory portfolio, subject to grandfathering provisions regarding capital requirements, have a capital requirement of 187 million euro (181 million euro as at 31 December 2008).

Capital requirement for Market Risk

(in millions of euro)

Information	Capital requirement	
	30.6.2009	31.12.2008
Assets included in the regulatory trading book	**1,071**	**1,350**
Position risk	1,065	1,347
Settlement risk for DVP transactions (Delvery Versus Payment)	-	-
Concentration risk	6	3
Other assets	**105**	**94**
Foreign exchange risk	30	48
Commodity risk	75	46
Total Capital requirement for Market Risk	**1,176**	**1,444**

The capital requirement for “counterparty risk” for the regulatory trading book is 510 million euro (535 million euro as at 31 December 2008). This requirement is shown - for the individual regulatory portfolios - in the tables of capital requirements for credit risk under the standardised approach and the IRB approach.

Capital requirement for Operational Risk

(in millions of euro)

Information	Capital requirement	
	30.6.2009	31.12.2008
Operational risk capital requirement		
Basic indicator approach	82	70
Standardised approach	2,257	2,257
Total Operational risk capital requirement	**2,339**	**2,327**

Table 5 – Credit risk: general disclosures for all banks

Quantitative disclosure

Please note that since the scope of consolidation used for this document differs from the scope used for the half-yearly financial statements governed by the IAS/IFRS (see Table 2), the data disclosed hereunder may differ from the corresponding aggregates illustrated in the Half-yearly Report.

Overall credit exposure by risk class

(in millions of euro)

Portfolios/category	Doubtful loans			Substandard loans			Restructured exposures		
	Gross	Net	Gross Average	Gross	Net	Gross Average	Gross	Net	Gross Average
1. Financial assets held for trading	1	1	1	45	45	29	-	-	-
2. Financial assets available for sale	4	4	6	1	1	2	-	-	-
3. Investments held to maturity	1	1	1	-	-	1	-	-	-
4. Due from banks	102	24	57	-	-	45	-	-	-
5. Loans to customers	14,648	4,542	13,933	10,819	8,409	8,937	1,956	1,868	1,245
6. Financial assets designated at fair value through profit and loss	-	-	-	-	-	-	-	-	-
7. Financial assets under disposal	-	-	-	-	-	2	-	-	-
8. Hedging derivatives	-	-	-	-	-	-	-	-	-
TOTAL - 30.6.2009	**14,756**	**4,572**	**13,998**	**10,865**	**8,455**	**9,016**	**1,956**	**1,868**	**1,245**
TOTAL - 31.12.2008	**13,221**	**3,983**	**12,060**	**7,154**	**5,347**	**6,243**	**534**	**399**	**407**

Portfolios/category	Past due exposures			Other exposures			Total		
	Gross	Net	Gross Average	Gross	Net	Gross Average	Gross	Net	Gross Average
1. Financial assets held for trading	8	8	11	74,464	74,464	67,706	74,518	74,518	67,747
2. Financial assets available for sale	-	-	-	16,535	16,535	15,145	16,540	16,540	15,153
3. Investments held to maturity	-	-	-	5,258	5,240	5,424	5,259	5,241	5,426
4. Due from banks	13	13	9	49,301	49,255	52,190	49,416	49,292	52,301
5. Loans to customers	2,033	1,829	2,030	376,317	373,756	384,312	405,773	390,404	410,457
6. Financial assets designated at fair value through profit and loss	-	-	-	1,192	1,192	1,262	1,192	1,192	1,262
7. Financial assets under disposal	-	-	1	-	-	144	-	-	147
8. Hedging derivatives	-	-	-	6,730	6,730	6,059	6,730	6,730	6,059
TOTAL - 30.6.2009	**2,054**	**1,850**	**2,051**	**529,797**	**527,172**	**532,242**	**559,428**	**543,917**	**558,552**
TOTAL - 31.12.2008	**2,053**	**1,884**	**1,726**	**535,286**	**532,701**	**504,532**	**558,248**	**544,314**	**524,968**

Credit exposures by geographical area to customers and banks

Credit exposures by geographical area – customers as at 30 June 2009

(in millions of euro)

Exposures/Geographical areas	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD		TOTAL	
	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure
A. ON-BALANCE SHEET EXPOSURES												
A.1. Doubtful loans	12,817	4,142	1,450	347	106	27	47	10	234	21	14,654	4,547
A.2. Substandard loans	9,151	7,201	1,466	1,100	162	87	18	5	22	16	10,819	8,409
A.3. Restructured exposures	1,913	1,831	40	36	1	-	2	1	-	-	1,956	1,868
A.4. Past due exposures	1,914	1,759	112	63	3	3	2	2	3	3	2,034	1,830
A.5. Other exposures	343,455	341,562	64,899	64,376	7,277	7,241	5,873	5,855	4,456	4,420	425,960	423,454
Total A	**369,250**	**356,495**	**67,967**	**65,922**	**7,549**	**7,358**	**5,942**	**5,873**	**4,715**	**4,460**	**455,423**	**440,108**
B. OFF-BALANCE SHEET EXPOSURES												
B.1. Doubtful loans	176	123	6	1	-	-	-	-	-	-	182	124
B.2. Substandard loans	570	468	106	104	11	9	-	-	-	-	687	581
B.3. Other non-performing assets	101	88	2	2	-	-	-	-	-	-	103	90
B.5. Other exposures	66,091	65,911	49,024	48,954	20,350	20,342	1,217	1,215	571	571	137,253	136,993
Total B	**66,938**	**66,590**	**49,138**	**49,061**	**20,361**	**20,351**	**1,217**	**1,215**	**571**	**571**	**138,225**	**137,788**
TOTAL (A+B)	**436,188**	**423,085**	**117,105**	**114,983**	**27,910**	**27,709**	**7,159**	**7,088**	**5,286**	**5,031**	**593,648**	**577,896**

Credit exposures by geographical area – banks as at 30 June 2009

(in millions of euro)

Exposures/Geographical areas	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD		TOTAL	
	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure
A. ON-BALANCE SHEET EXPOSURES												
A.1. Doubtful loans	1	-	97	24	4	1	-	-	-	-	102	25
A.2. Substandard loans	-	-	-	-	1	1	-	-	-	-	1	1
A.3. Restructured exposures	-	-	-	-	-	-	-	-	-	-	-	-
A.4. Past due exposures	-	-	16	16	-	-	-	-	-	-	16	16
A.5. Other exposures	25,673	25,672	25,217	25,195	2,709	2,706	2,525	2,512	1,947	1,944	58,071	58,029
Total A	**25,674**	**25,672**	**25,330**	**25,235**	**2,714**	**2,708**	**2,525**	**2,512**	**1,947**	**1,944**	**58,190**	**58,071**
B. OFF-BALANCE SHEET EXPOSURES												
B.1. Doubtful loans	-	-	-	-	-	-	-	-	-	-	-	-
B.2. Substandard loans	-	-	-	-	-	-	-	-	-	-	-	-
B.3. Other non-performing assets	-	-	18	18	-	-	-	-	-	-	18	18
B.5. Other exposures	18,713	18,712	66,004	66,000	2,746	2,745	1,796	1,791	302	301	89,561	89,549
Total B	**18,713**	**18,712**	**66,022**	**66,018**	**2,746**	**2,745**	**1,796**	**1,791**	**302**	**301**	**89,579**	**89,567**
TOTAL (A+B)	**44,387**	**44,384**	**91,352**	**91,253**	**5,460**	**5,453**	**4,321**	**4,303**	**2,249**	**2,245**	**147,769**	**147,638**

Credit exposures and adjustments by counterparty category as at 30 June 2009

(in millions of euro)

	GOVERNMENTS				OTHER PUBLIC ENTITIES			
	Gross exposure	Individual adjustments	Collective adjustments	Net exposure	Gross exposure	Individual adjustments	Collective adjustments	Net exposure
A. ON-BALANCE SHEET EXPOSURES								
A.1. Doubtful loans	1	1	-	-	6	2	-	4
A.2. Substandard loans	-	-	-	-	274	31	-	243
A.3. Restructured exposures	-	-	-	-	-	-	-	-
A.4. Past due exposures	17	-	-	17	79	-	-	79
A.5. Other exposures	43,537	-	1	43,536	23,115	-	43	23,072
Total A	**43,555**	**1**	**1**	**43,553**	**23,474**	**33**	**43**	**23,398**
B. OFF-BALANCE SHEET EXPOSURES								
B.1. Doubtful loans	-	-	-	-	-	-	-	-
B.2. Substandard loans	-	-	-	-	-	-	-	-
B.3. Other non-performing assets	-	-	-	-	-	-	-	-
B.4. Other exposures	2,535	-	-	2,535	2,906	-	3	2,903
Total B	**2,535**	**-**	**-**	**2,535**	**2,906**	**-**	**3**	**2,903**
TOTAL (A+B)	**46,090**	**1**	**1**	**46,088**	**26,380**	**33**	**46**	**26,301**

	FINANCIAL INSTITUTIONS				INSURANCE COMPANIES			
	Gross exposure	Individual adjustments	Collective adjustments	Net exposure	Gross exposure	Individual adjustments	Collective adjustments	Net exposure
A. ON-BALANCE SHEET EXPOSURES								
A.1. Doubtful loans	622	527	-	95	-	-	-	-
A.2. Substandard loans	335	44	-	291	-	-	-	-
A.3. Restructured exposures	13	2	-	11	-	-	-	-
A.4. Past due exposures	74	3	-	71	-	-	-	-
A.5. Other exposures	39,980	-	99	39,881	3,581	-	2	3,579
Total A	**41,024**	**576**	**99**	**40,349**	**3,581**	**-**	**2**	**3,579**
B. OFF-BALANCE SHEET EXPOSURES								
B.1. Doubtful loans	1	-	-	1	-	-	-	-
B.2. Substandard loans	49	-	-	49	-	-	-	-
B.3. Other non-performing assets	1	-	-	1	-	-	-	-
B.4. Other exposures	29,301	-	8	29,293	2,770	-	8	2,762
Total B	**29,352**	**-**	**8**	**29,344**	**2,770**	**-**	**8**	**2,762**
TOTAL (A+B)	**70,376**	**576**	**107**	**69,693**	**6,351**	**-**	**10**	**6,341**

(in millions of euro)

	NON-FINANCIAL COMPANIES				OTHER COUNTERPARTIES				TOTAL
	Gross exposure	Individual adjustments	Collective adjustments	Net exposure	Gross exposure	Individual adjustments	Collective adjustments	Net exposure	Net exposure
A. ON-BALANCE SHEET EXPOSURES									
A.1. Doubtful loans	10,812	7,471	-	3,341	3,213	2,106	-	1,107	4,547
A.2. Substandard loans	7,939	1,748	-	6,191	2,271	587	-	1,684	8,409
A.3. Restructured exposures	1,846	81	-	1,765	97	5	-	92	1,868
A.4. Past due exposures	1,367	99	-	1,268	497	102	-	395	1,830
A.5. Other exposures	222,753	-	1,829	220,924	92,994	-	532	92,462	423,454
Total A	**244,717**	**9,399**	**1,829**	**233,489**	**99,072**	**2,800**	**532**	**95,740**	**440,108**
B. OFF-BALANCE SHEET EXPOSURES									
B.1. Doubtful loans	179	57	-	122	2	1	-	1	124
B.2. Substandard loans	629	105	-	524	9	1	-	8	581
B.3. Other non-performing assets	101	13	-	88	1	-	-	1	90
B.4. Other exposures	93,993	-	215	93,778	5,748	-	26	5,722	136,993
Total B	**94,902**	**175**	**215**	**94,512**	**5,760**	**2**	**26**	**5,732**	**137,788**
TOTAL (A+B)	**339,619**	**9,574**	**2,044**	**328,001**	**104,832**	**2,802**	**558**	**101,472**	**577,896**

Credit exposures by residual contractual maturity as at 30 June 2009

(in millions of euro)

	On demand	Between 1 and 7 days	Between 7 and 15 days	Between 15 days and 1 month	Between 1 and 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years	Unspecified maturity	Total
A. ON-BALANCE SHEET EXPOSURES	**67,696**	**8,080**	**8,823**	**17,884**	**32,561**	**25,906**	**34,515**	**147,907**	**123,954**	**26,539**	**493,865**
A.1 Government bonds	567	21	615	323	3,347	4,546	8,571	12,857	6,980	1	37,828
A.2 Listed debt securities	143	28	36	143	243	518	1,532	8,195	5,637	-	16,475
A.3 Other debt securities	20	141	105	229	2,178	1,229	355	6,730	9,042	29	20,058
A.4 Quotas of UCI	895	257	-	-	-	-	-	52	126	640	1,970
A.5 Loans											-
- Banks	*10,333*	*3,433*	*2,358*	*4,544*	*5,914*	*2,095*	*1,833*	*3,351*	*247*	*11,310*	45,418
- Customers	*55,738*	*4,200*	*5,709*	*12,645*	*20,879*	*17,518*	*22,224*	*116,722*	*101,922*	*14,559*	372,116
B. OFF-BALANCE SHEET EXPOSURES	**22,749**	**36,186**	**15,468**	**23,987**	**33,544**	**25,643**	**26,382**	**81,102**	**15,192**	**3,454**	**283,707**
B.1 Financial derivatives with exchange of capital											
- Long positions	*8,811*	*15,503*	*7,569*	*11,914*	*14,943*	*10,643*	*7,008*	*10,906*	*2,613*	*17*	89,927
- Short positions	*8,733*	*15,871*	*7,740*	*12,028*	*15,427*	*10,770*	*6,980*	*11,489*	*2,396*	*16*	91,450
B.2 Deposits and loans to be settled											
- Long positions	*1,748*	-	-	-	-	-	-	-	-	-	1,748
- Short positions	*1,206*	-	-	-	*400*	*135*	-	-	-	-	1,741
B.3 Irrevocable commitments to lend funds											
- Long positions	*1,403*	*2,549*	*144*	*45*	*1,280*	*1,917*	*5,473*	*11,335*	*2,755*	*3,421*	30,322
- Short positions	*848*	*2,263*	*15*	-	*1,494*	*2,178*	*6,921*	*47,372*	*7,428*	-	68,519
TOTAL	**90,445**	**44,266**	**24,291**	**41,871**	**66,105**	**51,549**	**60,897**	**229,009**	**139,146**	**29,993**	**777,572**

Adjustments by geographical area in relation to customers and banks

Adjustments by geographical area in relation to customers as at 30 June 2009

(in millions of euro)

	ITALY	OTHER EUROPEAN COUNTRIES	AMERICA	ASIA	REST OF THE WORLD	TOTAL
A. ON-BALANCE SHEET EXPOSURES						
A.1. Doubtful loans	8,675	1,103	79	37	213	10,107
A.2. Substandard loans	1,950	366	75	13	6	2,410
A.3. Restructured exposures	82	4	1	1	-	88
A.4. Past due exposures	155	49	-	-	-	204
A.5. Other exposures	1,893	523	36	18	36	2,506
Total A	**12,755**	**2,045**	**191**	**69**	**255**	**15,315**
B. OFF-BALANCE SHEET EXPOSURES						
B.1. Doubtful loans	53	5	-	-	-	58
B.2. Substandard loans	102	2	2	-	-	106
B.3. Other non-performing assets	13	-	-	-	-	13
B.4. Other exposures	180	70	8	2	-	260
Total B	**348**	**77**	**10**	**2**	**-**	**437**
TOTAL (A+B)	**13,103**	**2,122**	**201**	**71**	**255**	**15,752**

Adjustments by geographical area in relation to banks as at 30 June 2009

(in millions of euro)

	ITALY	OTHER EUROPEAN COUNTRIES	AMERICA	ASIA	REST OF THE WORLD	TOTAL
A. ON-BALANCE SHEET EXPOSURES						
A.1. Doubtful loans	1	73	3	-	-	77
A.2. Substandard loans	-	-	-	-	-	-
A.3. Restructured exposures	-	-	-	-	-	-
A.4. Past due exposures	-	-	-	-	-	-
A.5. Other exposures	1	22	3	13	3	42
Total A	**2**	**95**	**6**	**13**	**3**	**119**
B. OFF-BALANCE SHEET EXPOSURES						
B.1. Doubtful loans	-	-	-	-	-	-
B.2. Substandard loans	-	-	-	-	-	-
B.3. Other non-performing assets	-	-	-	-	-	-
B.4. Other exposures	1	4	1	5	1	12
Total B	**1**	**4**	**1**	**5**	**1**	**12**
TOTAL (A+B)	**3**	**99**	**7**	**18**	**4**	**131**

Changes in adjustments relating to non-performing exposures to customers and banks

Changes in adjustments relating to non-performing exposures to customers as at 30 June 2009

(in millions of euro)

Information	Doubtful loans	Substandard loans	Restructured exposures	Past due exposures
A. Initial total adjustments	**9,225**	**1,745**	**135**	**165**
B. Increases	**1,698**	**1,471**	**42**	**231**
B.1 Impairment losses	1,034	1,197	19	199
B.2 Transfers from other non-performing exposure categories	401	189	20	12
B.3 Other increases	263	85	3	20
C. Decreases	**-816**	**-806**	**-89**	**-192**
C.1 Recoveries on impairment losses	-237	-253	-8	-54
C.2 Recoveries on repayments	-158	-64	-2	-5
C.3 Write-offs	-291	-26	-10	-4
C.4 Transfers to other non-performing exposure categories	-26	-418	-65	-113
C.5 Other decreases	-104	-45	-4	-16
D. Final total adjustments	**10,107**	**2,410**	**88**	**204**

Changes in adjustments relating to non-performing exposures to banks as at 30 June 2009

(in millions of euro)

Information	Doubtful loans	Substandard loans	Restructured exposures	Past due exposures
A. Initial total adjustments	**13**	**63**	**-**	**-**
B. Increases	**67**	**4**	**-**	**-**
B.1 Impairment losses	3	-	-	-
B.2 Transfers from other non-performing exposure categories	64	3	-	-
B.3 Other increases	-	1	-	-
C. Decreases	**-3**	**-67**	**-**	**-**
C.1 Recoveries on impairment losses	-	-	-	-
C.2 Recoveries on repayments	-	-	-	-
C.3 Write-offs	-	-	-	-
C.4 Transfers to other non-performing exposure categories	-3	-64	-	-
C.5 Other decreases	-	-3	-	-
D. Final total adjustments	**77**	**-**	**-**	**-**

Table 6 – Credit risk: disclosures for portfolios subject to the standardised approach and for specialised lending and equity exposures subject to the IRB approaches

Quantitative disclosure

The quantitative disclosures in this Table complement those provided in Table 8 – Risk mitigation techniques. In fact, each regulatory portfolio provided for by the Bank of Italy under the standardised approach is broken down as follows:

– amount of on- and off-balance exposures, "without" the risk mitigation, which does not take into account the decrease in exposure arising from application of collateral and guarantees; in the case of guarantees, which transfer risk in respect of the guaranteed portion, reference is made to the guarantor's regulatory portfolios and weightings, while as to the residual exposure, reference is made to the guaranteed party's information;
– amount of the same exposures "with" the risk mitigation effect, i.e. net of the guarantees mentioned in the previous point. the difference between exposures "with" and "without" credit risk mitigation thus represents the amount of approved guarantees, disclosed in Table 8 - Risk mitigation techniques.

The above information is listed in the "with" and "without" credit risk mitigation columns and associated with the risk weightings defined by the current Prudential Supervisory regulations.

The exposures listed in the columns "Exposures with credit risk mitigation" and "Exposures without credit risk mitigation" also contain the off-balance sheet exposures in relation to guarantees and commitments (including the margins available on lines of credit) without the application of the credit conversion factors (CCF) required by the prudential regulations. The off-balance sheet exposures in relation to guarantees and commitments are disclosed side by side with the counterparty weighting factor.

Please note that exposures backed by collateral - whose exposure level is reduced due to application of the comprehensive method as provided for by applicable regulations - are conventionally represented side by side with 0% weighting in the table "Exposures without credit risk mitigation".

Breakdown of exposures: standardised approach

(in millions of euro)

Regulatory portfolio	30.6.2009			31.12.2008		
	Exposure with credit risk mitigation	Exposure without credit risk mitigation	Exposures deducted from regulatory capital	Exposure with credit risk mitigation	Exposure without credit risk mitigation	Exposures deducted from regulatory capital
Exposures to or secured by governments and central banks	64,132	66,002	564	50,547	52,147	503
Exposures to or secured by local authorities	17,316	17,568	-	20,167	20,434	-
Exposures to or secured by not for profit and public sector organisations	10,217	10,574	-	11,652	11,683	-
Exposures to or secured by multilateral development banks	139	139	-	277	277	-
Exposures to or secured by international organisations	-	-	-	-	-	-
Exposures to or secured by supervised institutions	54,541	72,608	238	87,616	113,467	169
Exposures to or secured by corporates	97,263	100,356	-	120,103	123,093	-
Retail exposures	85,985	86,800	-	83,952	84,597	-
Exposures secured by real estate property	76,534	76,534	-	79,450	79,450	-
Past due exposures	8,060	8,087	-	6,811	6,831	-
High-risk exposures	699	699	-	825	824	-
Exposures in the form of guaranteed bank bonds (covered bonds)	-	-	-	-	-	-
Short-term exposures to corporates	2,568	2,673	-	1,665	1,774	-
Exposures to UCI	1,122	1,126	-	1,577	1,578	-
Other exposures	17,515	17,515	3,202	22,460	22,459	3,130
Securitisations	7,798	7,798	-	8,204	8,204	-
Total credit risk	**443,889**	**468,479**	**4,004**	**495,306**	**526,818**	**3,802**

Further details on the amounts of exposures with or without credit risk mitigation are provided in the two following tables.

Breakdown of exposures by credit quality step and by exposure class: standardised approach – exposures "with" credit risk mitigation

(in millions of euro)

Regulatory portfolio	30.6.2009										
	0%	10%	20%	35%	50%	75%	100%	150%	200%	Other	TOTAL
Exposures to or secured by governments and central banks	62,517	X	98	X	1,043	X	474	-	X	-	64,132
Exposures to or secured by local authorities	102	X	16,602	X	75	X	537	-	X	X	17,316
Exposures to or secured by not for profit and public sector organisations	613	X	7,911	X	75	X	1,618	-	X	X	10,217
Exposures to or secured by multilateral development banks	127	X	12	X	-	X	-	-	X	X	139
Exposures to or secured by international organisations	-	X	X	X	X	X	X	X	X	X	-
Exposures to or secured by supervised institutions	264	X	40,123	X	4,008	X	8,034	2,112	X	X	54,541
Exposures to or secured by corporates	801	X	5,300	X	7,920	X	82,706	536	X	X	97,263
Retail exposures	263	X	X	X	X	85,722	X	X	X	X	85,985
Exposures secured by real estate property	X	X	X	64,763	11,771	X	X	X	X	X	76,534
Past due exposures	-	X	X	X	706	X	4,046	3,308	X	X	8,060
High-risk exposures	X	X	X	X	X	X	539	67	93	X	699
Exposures in the form of guaranteed bank bonds (covered bonds)	X	-	-	X	-	X	-	X	X	X	-
Short-term exposures to corporates	X	X	-	X	-	X	2,568	-	X	X	2,568
Exposures to UCI	-	X	66	X	-	X	1,056	-	X	-	1,122
Other exposures	2,824	X	5,327	X	X	X	9,364	X	X	X	17,515
Securitisations	X	X	X	X	X	X	X	X	X	X	7,798
Total credit risk	**67,511**	**-**	**75,439**	**64,763**	**25,598**	**85,722**	**110,942**	**6,023**	**93**	**-**	**443,889**

Breakdown of exposures by credit quality step and by exposure class: standardised approach – exposures "without" credit risk mitigation

(in millions of euro)

Regulatory portfolio	30.6.2009										
	0%	10%	20%	35%	50%	75%	100%	150%	200%	Other	TOTAL
Exposures to or secured by governments and central banks	63,914	X	103	X	1,511	X	474	-	X	-	66,002
Exposures to or secured by local authorities	103	X	16,853	X	75	X	537	-	X	X	17,568
Exposures to or secured by not for profit and public sector organisations	741	X	8,139	X	75	X	1,619	-	X	X	10,574
Exposures to or secured by multilateral development banks	127	X	12	X	-	X	-	-	X	X	139
Exposures to or secured by international organisations	-	X	X	X	X	X	X	X	X	X	-
Exposures to or secured by supervised institutions	16,684	X	41,477	X	4,066	X	8,269	2,112	X	X	72,608
Exposures to or secured by corporates	3,174	X	5,458	X	8,090	X	83,043	591	X	X	100,356
Retail exposures	877	X	X	X	X	85,923	X	X	X	X	86,800
Exposures secured by real estate property	X	X	X	64,763	11,771	X	X	X	X	X	76,534
Past due exposures	14	X	X	X	706	X	4,051	3,316	X	X	8,087
High-risk exposures	X	X	X	X	X	X	539	67	93	X	699
Exposures in the form of guaranteed bank bonds (covered bonds)	X	-	-	X	-	X	-	X	X	X	-
Short-term exposures to corporates	X	X	-	X	-	X	2,673	-	X	X	2,673
Exposures to UCI	4	X	66	X	-	X	1,056	-	X	-	1,126
Other exposures	2,824	X	5,327	X	X	X	9,364	X	X	X	17,515
Securitisations	X	X	X	X	X	X	X	X	X	X	7,798
Total credit risk	**88,462**	**-**	**77,435**	**64,763**	**26,294**	**85,923**	**111,625**	**6,086**	**93**	**-**	**468,479**

Exposures broken down by credit quality step (IRB approach)

(in millions of euro)

Regulatory portfolio	Exposure value	
	30.6.2009	**31.12.2008**
A) Exposures to or secured by corporates: Specialised lending - slotting criteria		
A.1) Regulatory assessment - sufficient	119	121
A.2) Regulatory assessment - good	1,335	1,323
A.3) Regulatory assessment - strong	269	254
B. Equity exposures: simple risk weight approach		
B.1) Private equity exposures in sufficiently diversified portfolios - 190%	104	92
B.2) Exchange-traded equity exposures - 290%	50	33
B.3) Other equity exposures - 370%	117	105
Total	**1,994**	**1,928**

Tavola 7 – Credit risk: disclosures for portfolios subject to IRB approaches

Quantitative disclosure

Before illustrating the quantitative data relating to credit risk for portfolios treated under IRB approaches, please note that with regard to "The rollout plan for the internal models" (illustrated in detail in the corresponding table of the document of December 2008), the following updates have been approved:

– the Advanced IRB approach for the Corporate segment will be adopted starting from the report as at June 2010, concurrently with the release of second-generation rating models;
– use of the IRB approach for retail small and medium-sized enterprises (SME Retail) will be postponed to the report as at June 2010, in view of the complexity of the rating process;
– use of the internal EAD estimates in advanced approaches and the shift to the IRB approach for the Other retail exposures are planned respectively for December 2011 and June 2013.

As to the corporate scope of application of the IRB approach, no significant changes are reported from 31 December 2008 and 31 March 2009.

Exposure values for each regulatory portfolio

(in millions of euro)

Regulatory portfolio	Exposure value - IRB foundation	
	30.6.2009	**31.12.2008**
Exposures to or secured by corporates:		
- Specialised lending	*4,967*	*4,007*
- SMEs (Small and Medium Enterprises)	*60,233*	*59,809*
- Other corporates	*121,775*	*121,471*
Total credit risk (IRB)	**186,975**	**185,287**

Breakdown of exposures by exposure class and PD class

(in millions of euro)

Regulatory portfolio	Rating class	30.6.2009 Central PD (%)	30.6.2009 Exposure value	30.6.2009 Average risk weight (%)	31.12.2008 Exposure value
Exposures to or secured by corporates					
Specialised lending			**4,967**		**4,007**
	-class 1 / 8	-	-	-	-
	-class 9	0.29	64	33%	56
	-class 10	0.43	70	40%	73
	-class 11	0.67	272	49%	225
	-class 12	0.99	401	56%	406
	-class 13	1.48	714	65%	486
	-class 14	2.22	760	71%	531
	-class 15	3.31	727	80%	656
	-class 16	4.94	610	95%	505
	-class 17	7.40	327	103%	434
	-class 18	10.91	491	128%	367
	-class 19	16.32	148	163%	88
	-class 20	24.50	101	170%	27
	-class 21 (default)	-	282	-	153

(in millions of euro)

Regulatory portfolio	Rating class	30.6.2009 Central PD (%)	30.6.2009 Exposure value	30.6.2009 Average risk weight (%)	31.12.2008 Exposure value
Exposures to or secured by corporates					
SMEs (Small and Medium Enterprises)			**60,233**		**59,809**
	-class 1 / 5	-	-	-	-
	-class 6	0.09	2,918	25%	3,270
	-class 7	0.13	1,391	30%	1,620
	-class 8	0.20	1,829	37%	2,152
	-class 9	0.29	2,530	44%	3,070
	-class 10	0.43	3,729	56%	4,749
	-class 11	0.67	4,543	65%	5,858
	-class 12	0.99	6,056	74%	6,444
	-class 13	1.48	6,818	83%	6,731
	-class 14	2.22	5,639	91%	5,533
	-class 15	3.31	6,369	102%	5,240
	-class 16	4.94	4,210	113%	3,385
	-class 17	7.40	2,866	130%	2,539
	-class 18	10.91	2,250	154%	1,550
	-class 19	16.32	916	176%	933
	-class 20	24.50	862	189%	727
	-class 21 (default)	-	7,307	-	6,008
Other corporates			**121,775**		**121,471**
	-class 1		-		-
	-class 2	0.03	795	16%	1,314
	-class 3	0.04	773	18%	260
	-class 4	0.05	4,763	22%	7,464
	-class 5	0.06	1,429	24%	779
	-class 6	0.09	8,565	30%	9,201
	-class 7	0.13	6,313	36%	11,896
	-class 8	0.20	7,035	46%	8,437
	-class 9	0.29	8,948	55%	7,331
	-class 10	0.43	15,593	68%	15,984
	-class 11	0.67	15,137	81%	13,311
	-class 12	0.99	12,221	91%	10,464
	-class 13	1.48	10,198	107%	8,561
	-class 14	2.22	7,080	116%	6,609
	-class 15	3.31	8,010	117%	6,988
	-class 16	4.94	2,503	146%	3,370
	-class 17	7.40	1,940	164%	1,380
	-class 18	10.91	1,832	203%	796
	-class 19	16.32	1,285	231%	3,103
	-class 20	24.50	691	248%	850
	-class 21 (default)	-	6,664		3,373

The exposure value shown in the tables of this Table is stated gross of adjustments.

Comparison between estimated and actual results

The Intesa Sanpaolo Group reports its capital requirements on the basis of the FIRB approach, and therefore only referring to the (Corporate) PD and not the LGD. Consequently, no comparisons are being made for now between expected loss and actual (accounting) loss. The comparison between the estimated and actual results in terms of PD on the other hand is conducted by the Validation Unit, which carries out regular backtesting. Specifically, the default rates over a one-year period are compared with the ex ante estimated Probabilities of Default, using statistical tests such as the binomial test. For the past 12 months, results of the analysis showed that the models are essentially robust, taking into account the rapidly deteriorating economic cycle.

Table 8 – Risk mitigation techniques

Quantitative disclosure

Breakdown of exposures secured by collateral, guarantees or credit derivatives by exposure class

Secured exposures subject to the Standardised approach

(in millions of euro)

Regulatory portfolio	30.6.2009		31.12.2008	
	Collateral	Guarantees or credit	Collateral	Guarantees or credit
Exposures to or secured by governments and central banks	128	1,742	52	1,549
Exposures to or secured by local authorities	-	252	4	263
Exposures to or secured by not for profit and public sector organisations	118	240	9	24
Exposures to or secured by multilateral development banks	-	-	-	-
Exposures to or secured by international organisations	-	-	-	-
Exposures to or secured by supervised institutions	16,657	1,410	23,809	2,042
Exposures to or secured by corporates	2,619	472	1,830	1,153
Retail exposures	815	-	647	-
Past due exposures	28	-	20	-
High-risk exposures	-	-	-	-
Exposures in the form of guaranteed bank bonds (covered bonds)	-	-	-	-
Short-term exposures to corporates	105	-	110	-
Exposures to UCI	4	-	-	-
Other exposures	-	-	-	-
Securitisations	-	-	-	-
Total	**20,474**	**4,116**	**26,481**	**5,031**

This Table lists the portions of exposures secured by collateral, financial guarantees and personal guarantees, complementing the disclosures in Table 6, in sub-table "with credit risk mitigation", which instead lists the part of residual exposure not covered by said guarantees. Please note that under the current regulations, when the comprehensive method is adopted (as is the case for Intesa Sanpaolo), collateral (e.g. cash collateral or securities received as pledges) reduces risk exposure, while personal guarantees transfer the related risk to the guarantor's regulatory portfolio; consequently, the representation of personal guarantees in this table is the guarantor's responsibility.
Exposures secured by mortgage collateral, for which applicable regulations provide for the assignment of preferential weightings, are not included in this Table as they are already included in Table 6 under "exposures secured by real estate property".

Secured exposures subject to the foundation IRB approach

(in millions of euro)

Regulatory portfolio	30.6.2009		31.12.2008	
	Collateral	Guarantees or credit derivatives	Collateral	Guarantees or credit derivatives
Exposures to or secured by corporates				
Specialised lending	3,788	-	3,267	-
SMEs	17,026	154	16,854	160
Other corporates	11,458	432	12,213	248
Specialised lending - slotting criteria	-	-	-	-
Total	**32,272**	**586**	**32,334**	**408**

Table 9 – Counterparty risk

Quantitative disclosure

Counterparty risk

(in millions of euro)

Transaction categories	Mark-to-market method - Exposure	
	30.6.2009	31.12.2008
Derivative contracts	17,621	23,016
SFT transactions and long settlement transactions	19,832	32,106
Cross product netting	-	-

Credit derivatives: period-end notional amounts

(in millions of euro)

Exposure categories	Trading book for supervisory purposes		Other transactions	
	single counterparty	several counterparties (basket)	single counterparty	several counterparties (basket)
A. Protection purchases				
A.1 Physical settlement	30,192	33,679	55	-
- credit default swaps	30,192	33,679	55	-
- credit spread options	-	-	-	-
- credit linked notes	-	-	-	-
- credit spread swaps	-	-	-	-
- credit default options	-	-	-	-
-other credit derivatives	-	-	-	-
A.2 Cash settlement	697	972	483	-
- credit default swaps	684	972	483	-
- credit spread options	-	-	-	-
- credit linked notes	-	-	-	-
- credit spread swaps	-	-	-	-
- credit default options	-	-	-	-
- other credit derivatives	13	-	-	-
TOTAL A	**30,889**	**34,651**	**538**	**-**
B. Protection sales				
B.1 Physical settlement	28,062	34,644	-	-
- credit default swaps	28,032	34,518	-	-
- credit spread options	-	-	-	-
- credit linked notes	-	72	-	-
- credit spread swaps	-	-	-	-
- credit default options	-	-	-	-
- other credit derivatives	30	54	-	-
B.2 Cash settlement	131	2,098	5	-
- credit default swaps	131	2,098	2	-
- credit spread options	-	-	-	-
- credit linked notes	-	-	-	-
- credit spread swaps	-	-	-	-
- credit default options	-	-	-	-
- other credit derivatives	-	-	3	-
TOTAL B	**28,193**	**36,742**	**5**	**-**
TOTAL (A + B) - 30.6.2009	**59,082**	**71,393**	**543**	**-**
TOTAL (A + B) - 31.12.2008	**68,052**	**79,344**	**573**	**-**

Credit derivatives contracts include 538 million euro (notional amounts at 30 June 2009) of counterparty risk hedging transactions.

Over the counter financial derivatives: positive fair value - counterparty risk

(in millions of euro)

	Debt securities and interest rates			Equities and stock indexes		
	Gross amount not settled	Gross amount settled	Future exposure	Gross amount not settled	Gross amount settled	Future exposure
A. Trading book for supervisory purposes						
1. Governments and Central Banks	1	-	-	-	-	-
2. Other public entities	306	-	39	-	-	-
3. Banks	1,494	24,173	356	75	651	27
4. Financial institutions	520	2,418	1,009	58	229	33
5. Insurance companies	90	-	14	1	-	5
6. Non-financial companies	1,718	15	200	60	8	13
7. Other counterparties	17	72	1	-	18	-
TOTAL A	**4,146**	**26,678**	**1,619**	**194**	**906**	**78**
B. Banking book						
1. Governments and Central Banks	-	-	-	-	-	-
2. Other public entities	-	-	-	-	-	-
3. Banks	197	1,062	65	-	59	6
4. Financial institutions	6	279	8	-	7	4
5. Insurance companies	-	-	-	-	-	-
6. Non-financial companies	-	-	-	-	-	1
7. Other counterparties	-	-	-	-	-	-
TOTAL B	**203**	**1,341**	**73**	**-**	**66**	**11**
TOTAL (A + B) - 30.6.2009	**4,349**	**28,019**	**1,692**	**194**	**972**	**89**
TOTAL (A + B) - 31.12.2008	**4,542**	**32,590**	**6,479**	**167**	**1,116**	**891**

	Foreign exchange rates and gold			Other values		
	Gross amount not settled	Gross amount settled	Future exposure	Gross amount not settled	Gross amount settled	Future exposure
A. Trading book for supervisory purposes						
1. Governments and Central Banks	-	22	35	-	-	-
2. Other public entities	-	-	-	-	-	-
3. Banks	317	1,165	126	-	-	-
4. Financial institutions	40	61	23	-	1	-
5. Insurance companies	126	8	3	-	-	-
6. Non-financial companies	310	199	92	25	-	6
7. Other counterparties	3	13	1	-	-	-
TOTAL A	**796**	**1,468**	**280**	**25**	**1**	**6**
B. Banking book						
1. Governments and Central Banks	-	-	-	-	-	-
2. Other public entities	-	-	-	-	-	-
3. Banks	2	125	4	-	-	-
4. Financial institutions	-	3	2	-	-	-
5. Insurance companies	-	-	-	-	-	-
6. Non-financial companies	-	-	-	-	-	-
7. Other counterparties	-	-	-	-	-	-
TOTAL B	**2**	**128**	**6**	**-**	**-**	**-**
TOTAL (A + B) - 30.6.2009	**798**	**1,596**	**286**	**25**	**1**	**6**
TOTAL (A + B) - 31.12.2008	**1,299**	**3,609**	**650**	**63**	**74**	**16**

(in millions of euro)

	Diverse underlying assets			Total		
	Gross amount not settled	Gross amount settled	Future exposure	Gross amount not settled	Gross amount settled	Future exposure
A. Trading book for supervisory purposes						
1. Governments and Central Banks	X	404	35	1	426	70
2. Other public entities	X	-	-	306	-	39
3. Banks	X	3,150	3,097	1,886	29,139	3,606
4. Financial institutions	X	217	147	618	2,926	1,212
5. Insurance companies	X	120	30	217	128	52
6. Non-financial companies	X	204	79	2,113	426	390
7. Other counterparties	X	-	-	20	103	2
TOTAL A	**-**	**4,095**	**3,388**	**5,161**	**33,148**	**5,371**
B. Banking book						
1. Governments and Central Banks	X	-	-	-	-	-
2. Other public entities	X	-	-	-	-	-
3. Banks	X	154	74	199	1,400	149
4. Financial institutions	X	71	29	6	360	43
5. Insurance companies	X	-	-	-	-	-
6. Non-financial companies	X	-	-	-	-	1
7. Other counterparties	X	-	-	-	-	-
TOTAL B	**-**	**225**	**103**	**205**	**1,760**	**193**
TOTAL (A + B) - 30.6.2009	**X**	**4,320**	**3,491**	**5,366**	**34,908**	**5,564**
TOTAL (A + B) - 31.12.2008	**X**	**3,206**	**1,683**	**6,071**	**40,595**	**9,719**

Credit derivatives: positive fair value - counterparty risk

(in millions of euro)

	Notional amount	Positive fair value	Future exposure
A. Trading book for supervisory purposes	**64,059**	**2,501**	**1,320**
A.1 Protection purchases with:	41,849	1,910	1,202
1. Governments and Central Banks	-	-	-
2. Other public entities	*34*	*28*	*3*
3. Banks	*30,632*	*1,405*	*841*
4. Financial institutions	*10,654*	*445*	*323*
5. Insurance companies	-	-	-
6. Non-financial companies	-	-	-
7. Other counterparties	*529*	*32*	*35*
A.2 Protection sales with:	22,210	591	118
1. Governments and Central Banks	-	-	-
2. Other public entities	-	-	-
3. Banks	*17,642*	*470*	*86*
4. Financial institutions	*4,534*	*120*	*30*
5. Insurance companies	-	-	-
6. Non-financial companies	-	-	-
7. Other counterparties	*34*	*1*	*2*
B. Banking book	**2**	**-**	**-**
B.1 Protection purchases with:	-	-	-
1. Governments and Central Banks	-	-	-
2. Other public entities	-	-	-
3. Banks	-	-	-
4. Financial institutions	-	-	-
5. Insurance companies	-	-	-
6. Non-financial companies	-	-	-
7. Other counterparties	-	-	-
B.2 Protection sales with:	2	-	-
1. Governments and Central Banks	-	-	-
2. Other public entities	-	-	-
3. Banks	-	-	-
4. Financial institutions	*2*	-	-
5. Insurance companies	-	-	-
6. Non-financial companies	-	-	-
7. Other counterparties	-	-	-
TOTAL - 30.6.2009	**64,061**	**2,501**	**1,320**
TOTAL - 31.12.2008	**72,287**	**4,497**	**1,562**

Table 10 – Securitisations

Quantitative disclosure

Securitisations: amount of originated and third party securitisation positions at 30 June 2009

(in millions of euro)

	On-balance sheet exposures						Guarantees given					
	Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
	exposure		exposure		exposure		exposure		exposure		exposure	
	gross	net	gross	net	gross	net	gross	net	gross	net	gross	net
A. Originated underlying assets	**199**	**199**	**48**	**48**	**99**	**99**	**13**	**13**	**-**	**-**	**18**	**18**
a) Non-performing	-	-	*39*	*39*	*14*	*14*	-	-	-	-	-	-
b) Other	*199*	*199*	*9*	*9*	*85*	*85*	*13*	*13*	-	-	*18*	*18*
B. Third party underlying assets (*)	**5,005**	**5,001**	**482**	**476**	**44**	**44**	**-**	**-**	**124**	**124**	**2**	**2**
a) Non-performing	-	-	-	-	-	-	-	-	-	-	-	-
b) Other	*5,005*	*5,001*	*482*	*476*	*44*	*44*	-	-	*124*	*124*	*2*	*2*
TOTAL	**5,204**	**5,200**	**530**	**524**	**143**	**143**	**13**	**13**	**124**	**124**	**20**	**20**

	Credit lines						Total					
	Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
	exposure		exposure		exposure		exposure		exposure		exposure	
	gross	net	gross	net	gross	net	gross	net	gross	net	gross	net
A. Originated underlying assets	**-**	**-**	**-**	**-**	**-**	**-**	**212**	**212**	**48**	**48**	**117**	**117**
a) Non-performing	-	-					-	-	*39*	*39*	*14*	*14*
b) Other	-	-	-	-	-	-	*212*	*212*	*9*	*9*	*103*	*103*
B. Third party underlying assets (*)	**-**	**-**	**1,937**	**1,937**	**-**	**-**	**5,005**	**5,001**	**2,543**	**2,537**	**46**	**46**
a) Non-performing	-	-	-	-	-	-	-	-	-	-	-	-
b) Other	-	-	*1,937*	*1,937*	-	-	*5,005*	*5,001*	*2,543*	*2,537*	*46*	*46*
TOTAL	**-**	**-**	**1,937**	**1,937**	**-**	**-**	**5,217**	**5,213**	**2,591**	**2,585**	**163**	**163**

(*) Included for the sake of completeness are the Asset Backed Commercial Paper (ABCP) programmes of Romulus and Duomo, details of which are provided in the tables below relating to the third party securitisations.

Securitisations: breakdown of on-balance sheet exposures deriving from main "originated" securitisations by type of securitised asset and by type of exposure at 30 June 2009

(in millions of euro)

	On-balance sheet exposures					
	Senior		Mezzanine		Junior	
	Book value	Adjust./ recoveries	Book value	Adjust./ recoveries	Book value	Adjust./ recoveries
A. Fully derecognised	**23**	**-**	**44**	**-6 -**	**55**	**-4**
A.1 Intesa Lease Sec						
- performing leasing contracts	*13*	-	-	- -	-	-
A.2 Intesa Sec 2						
- performing residential mortgages	*9*	-	*5*	- -	*27*	-
A.3 Intesa Sec						
- performing mortgages	-	-	-	- -	*7*	*-1*
A.4 Intesa Sec Npl						
- doubtful mortgages	-	-	*39*	*-6 -*	*14*	*-3*
A.5 Cr Firenze Mutui						
- performing mortgages	*1*	-	-	- -	*7*	-
B. Partly derecognised	**-**	**-**	**-**	**-**	**-**	**-**
C. Not derecognised	**176**	**1**	**4**	**- -**	**44**	**-**
C.1 Intesa Sec 3						
- performing residential mortgages	*162*	*1*	-	- -	*26*	-
C.2 Da Vinci						
- loans to the aircraft sector (*)	*1*	-	-	- -	-	-
C.4 Split 2						
- performing leasing contracts (**)	*13*	-	*4*	- -	*18*	-
TOTAL	**199**	**1**	**48**	**-6**	**99**	**-4**

(*) The total balance sheet value includes 1.4 million Senior securities and 0.3 million Mezzanine securities.

(**) The total balance sheet value includes 12.6 million Senior securities, 3.8 million Mezzanine securities and 18.1 million Junior securities.

Securitisations: breakdown of off-balance sheet exposures deriving from main "originated" securitisations by type of securitised asset and by type of exposure at 30 June 2009

(in millions of euro)

	Guarantees given						Credit lines					
	Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
	Book value	Adjust./ recoveries	Book value	Adjust./ recoveries	Book value	Adjust./ recoveries	Book value	Adjust./ recoveries	Book value	Adjust./ recoveries	Book value	Adjust./ recoveries
A. Fully derecognised	**13**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
A.1 Intesa Sec												
- performing mortgages	*13*	-	-	-	-	-	-	-	-	-	-	-
B. Partly derecognised	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C. Not derecognised	**-**	**-**	**-**	**-**	**18**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C.1 Da Vinci												
- loans to the aircraft and aeronautical sector	-	-	-	-	*18*	-	-	-	-	-	-	-
TOTAL	**13**	**-**	**-**	**-**	**18**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Securitisations: breakdown of on-balance sheet exposures deriving from main "third party" securitisations by type of securitised asset and by type of exposure at 30 June 2009

(in millions of euro)

	On-balance sheet exposures					
	Senior		Mezzanine		Junior	
	Book value	Adjust./ recoveries	Book value	Adjust./ recoveries	Book value	Adjust./ recoveries
A.1 AYT Cedulas						
- residential mortgages	*293*	*1*	-	-	-	-
A.2 CARTESIO						
- loans	*111*	-	-	-	-	-
A.3 CENTURION CDO VII						
- corporate loans	*73*	-	-	-	-	-
A.4 Cordusio RMBS Securitisation						
- residential mortgages	*70*	-	*17*	-	-	-
A.5 D'ANNUNZIO						
- trade receivables	*175*	-	-	-	-	-
A.6 Duchess (*)						
- securities	*140*	*22*	-	-	-	-
A.7 EUTERPE						
- amounts due from tax authorities - utilities	*145*	-	-	-	-	-
A.8 Fondo Immobili Pubblici						
- public real estate assets	*241*	-	*14*	-	-	-
A.9 Geldilux						
- loans	*184*	-	-	-	-	-
A.10 GSC PARTNERS CDO FUND LTD						
- corporate loans	*226*	-	-	-	-	-
A.11 LOCAT SECURITISATION VEHICLE						
- leasing	*65*	*-4*	-	-	*1*	-
A.12 NORTH WESTERLY CLO II B.V.						
- corporate loans	*144*	-	-	-	-	-
A.13 POSILLIPO FINANCE						
- securities	*191*	-	-	-	-	-
A.14 Rhodium (*)						
- securities	*71*	*10*	-	-	-	-
A.15 Società di Cartolarizzazione Italiana crediti 1						
- personal loans	*54*	-	-	-	-	-
- research loans granted to private Italian companies	*48*	-	-	-	-	-
A.16 SUMMER STREET 2004-1 LTD (*)						
- securities	*53*	*3*	-	-	-	-
A.17 Soc. Cart. Crediti INPS						
- social security benefits	*547*	-	-	-	-	-
A.18 Stone tower (*)						
- securities	*51*	*-1*	-	-	-	-
A.19 TCW GLOBAL PROJECT FUND III						
- Project Finance Loans	*583*	-	-	-	-	-
A.20 Investment grade ABS portfolio subject to unitary management	*94*	-	-	-	-	-
A.21 Residual portfolio divided in 417 securities	*1,442*	*-2*	*445*	*-23*	*43*	-
TOTAL	**5,001**	**29**	**476**	**-23**	**44**	**-**

(*) Position included in packages, whose credit risk is entirely hedged by a specific credit default swap (CDS). The adjustment highlighted was, therefore, practically identical to the fair value of the derivative.

Securitisations: breakdown of off-balance sheet exposures deriving from main "third party" securitisations by type of securitised asset and by type of exposure at 30 June 2009

(in millions of euro)

	Guarantees given						Credit lines					
	Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
	Book value	Adjust./ recoveries	Book value	Adjust./ recoveries	Book value	Adjust./ recoveries	Book value	Adjust./ recoveries	Book value	Adjust./ recoveries	Book value	Adjust./ recoveries
A.1 Duomo												
- Asset Backed Securities and Collateralised debt obligations	-	-	-	-	-	-	-	-	-	-	-	-
A.2 Manzoni												
- Asset Backed Securities	-	-	-	-	*2*	-	-	-	-	-	-	-
A.3 Romulus												
- Asset Backed Securities and Collateralised debt obligations	-	-	*124*	-	-	-	-	-	*1,937*	-	-	-
Total	**-**	**-**	**124**	**-**	**2**	**-**	**-**	**-**	**1,937**	**-**	**-**	**-**

Securitisations: weighted amounts of securitisation positions based on risk weight bands - Standardised approach

(in millions of euro)

Risk weight bands	30.6.2009		31.12.2008	
	Originated securitisations	Third-party securitisations	Originated securitisations	Third-party securitisations
Risk weight 20%	18	707	193	515
Risk weight 35% (*)	134	-	165	-
Risk weight 50%	-	347	-	433
Risk weight 100%	3	313	1	564
Risk weight 150% (*)	157	-	168	-
Risk weight 350%	-	256	-	133
Risk weight 1250% - with rating	100	249	85	-
Risk weight 1250% - without rating	511	938	522	120
Look-through - second loss in ABCP	-	-	-	-
Look-through - other	-	-	-	-
Deducted from regulatory capital	-	-	-	-
Total	**923**	**2,810**	**1,134**	**1,765**

(*) Weights applied to the securitised assets, in accordance with the regulations in the event of failure to pass the cap test.

Securitisations carried out during the period

During the first half of 2009, the Intesa Sanpaolo Group did not carry out any significant securitisation transactions involving the transfer to third parties of the risk of securitised assets. For the sake of completeness, please note that the Group carried out further transactions as originator whereby it fully repurchased the securities issued by the vehicle used for the securitisation (self-securitisation), as part of its policy aimed at prudently increasing the already broad availability of eligible assets with Central Banks. For this type of transactions, given that the securities in question have not been sold definitively to parties outside the Group, in accordance with the IAS/IFRS the conditions have not been met for the derecognition of the underlying loans with respect to which the Group continues to maintain all the risks and benefits and that are, therefore, still recorded under consolidated balance sheet assets.

Table 11 – Market risks: disclosures for banks using the internal models approach (IMA) for position risk, foreign exchange risk and commodity risk

Qualitative disclosure

Pursuant to the reference regulations issued by the Bank of Italy, the half-yearly "Basel 2 Pillar 3" report does not include qualitative disclosure (the only disclosure provided for this Table). As stated in the Introduction, please therefore refer to the document as at 31 December 2008 for a more comprehensive examination of the qualitative aspects of market risks.

Capital requirements for market risks are listed in the condensed sub-tables of Table 4 "Capital adequacy" of this document.

Table 12 – Operational risk

Qualitative disclosure

Pursuant to the reference regulations issued by the Bank of Italy, the half-yearly "Basel 2 Pillar 3" report does not include qualitative disclosure (the only disclosure provided for this Table). As stated in the Introduction, please therefore refer to the document as at 31 December 2008 for a more comprehensive examination of the qualitative aspects of operational risks.

Please note that the preparatory work for adoption of the Advanced Measurement Approach (AMA), in a first cluster of Group Companies (Banks and Companies of Banca dei Territori Division, Leasint, Eurizon Capital and Slovak bank VUB), has been completed and a request has been submitted to the Bank of Italy for authorisation to use the internal method to calculate capital requirements.

Capital requirements for operational risks are listed in the condensed sub-tables of Table 4 "Capital adequacy" of this disclosure document.

Table 13 – Equity exposures: disclosures for banking book positions

Quantitative disclosure

Banking book: on-balance sheet equity exposures

(in millions of euro)

Exposure type/values	30.6.2009								
	Book value		Fair value		Market value	Realised gains/losses and impairments		Unrealised gains/losses recognised in the balance sheet	
	Listed	Unlisted	Listed	Unlisted	Listed	Gains	Losses	Plus (+)	Minus (-)
A. Investments in associates and companies subject to joint control	174	2,737	81	X	81	58	-43	X	X
B. Available for sale (AFS)	825	1,345	825	1,345	825	24	-15	251	-223
C. Designated at fair value (DAAFV)	-	-	-	-	-	-	-	X	X

Exposure type/values	31.12.2008								
	Book value		Fair value		Market value	Realised gains/losses and impairments		Unrealised gains/losses recognised in the balance sheet	
	Listed	Unlisted	Listed	Unlisted	Listed	Gains	Losses	Plus (+)	Minus (-)
A. Investments in associates and companies subject to joint control	182	3,048	88	X	88	534	-358	X	X
B. Avalilable for sale (AFS)	789	1,438	789	1,438	789	163	-787	215	-223
C. Designated at fair value (DAAFV)	-	-	-	-	-	-	-	X	X

The net capital losses on equity investments included under the negative elements of Tier 2 capital amount to 47 million euro (45 million euro as at 31 December 2008).

Banking book: type, nature and amount of the exposures

(in millions of euro)

	Weighted exposure	
	30.6.2009	31.12.2008
IRB method	**775**	**657**
Exchange-traded exposures	146	96
Private equity exposures	197	175
Other exposures	432	386
Standardised approach	**2,772**	**2,925**

Table 14 – Interest rate risk on positions in the banking book

Quantitative disclosure

Interest rate risk

Interest margin sensitivity[1] – assuming a 100 basis point rise in interest rates over a 12-month period – was +120 million euro (-113 million euro in the event of an equal interest rate reduction) at 30 June 2009, in line with the 2008 year-end figures of +102 million euro, and -92 million euro, respectively, in the event of an increase/decrease in interest rates.

The interest rate risk generated by Intesa Sanpaolo Group's banking book, measured through shift sensitivity analysis (sensitivity of portfolio value following a parallel and uniform shift in the yield curve of ± 100 basis points)[2], registered an average value of 470 million euro in the first six months of 2009, and 562 million euro at the end of June; these data compare with 484 million euro at year-end 2008.

The table below shows the impact on the banking book of the ±100 basis points shock, broken down into the main currencies the Intesa SanPaolo Group is exposed to.

(in millions of euro)

EUR	Euro	519
HRK	Croatian kuna	14
USD	US dollar	13
RUB	Russian rouble	10
HUF	Hungarian forint	6
TOTAL		**562**

Interest rate risk, measured in terms of Value at Risk (VaR)[3], averaged 155 million euro in the first half of 2009 (177 million euro at the end of 2008) and reached a value of 178 million euro at the end of June, which also was the peak value for the period (the minimum value was 86 million euro).

1 Interest margin sensitivity measures the impact on net interest income of a sudden parallel curve shock. This measure highlights the effect of variations in interest rates on the portfolio being measured, excluding assumptions on future changes in the mix of assets and liabilities and, therefore, it cannot be considered a predictor of the future levels of the interest margin.

2 The measurements include an estimate of the prepayment effect and of the risk originated by customer demand loans and deposits.

3 VaR is calculated as the maximum potential loss in the portfolio's market value that could be recorded over a 10-day holding period with a 99% confidence level (parametric VaR).

Declaration of the Manager responsible for preparing the Company's financial reports

The Manager responsible for preparing the Company's financial reports, Ernesto Riva, declares, pursuant to par. 2 of art. 154-bis of the Consolidated Law on Finance, that the accounting information contained in this document "Basel 2 - Pillar 3 as at 30 June 2009" corresponds to the corporate records, books and accounts.

28 August 2009

Ernesto Riva
Manager responsible for preparing
the Company's financial reports

Glossary

GLOSSARY OF TERMS PERTAINING TO DISCLOSURE REQUIREMENTS UNDER THE THIRD PILLAR OF BASEL 2

(with the meaning adopted in this document and excluding terms widely used in the Italian language or which are used in a context that already clarifies their meaning)

ABS – Asset-Backed Securities
Financial securities whose yield and redemption are guaranteed by a pool of assets (collateral) of the issuer (usually a Special Purpose Vehicle – SPV), exclusively intended to ensure satisfaction of the rights attached to said financial securities.
Examples of assets pledged as collateral include mortgages, credit card receivables, short-term trade receivables and auto loans.

ABS (receivables)
ABS whose collateral is made up of receivables.

AMA
(Advanced Measurement Approach) - A method for determining the operational risk capital requirements using calculation models based on operational loss data and other assessment elements collected and processed by the bank. Specific access thresholds and eligibility requirements are defined for adoption of the Standardised and Advanced approaches. For AMA systems, the requirements concern not only the management system but also the measurement system.

Backtesting
Retrospective analyses performed to verify the reliability of the measurement of risk sources associated with different asset portfolios.

Banking book
Usually referred to securities or financial instruments in general, it identifies the portion of a portfolio dedicated to "proprietary" trading.

Capital structure
It is the entire set of the various classes of bonds (tranches) issued by a special purpose vehicle (SPV), and backed by its asset portfolio, which have different risk and return characteristics, to meet the requirements of different categories of investors. Subordination relationships between the various tranches are regulated by a set of rules on the allocation of losses generated by the collateral:
Equity Tranche (B): The riskiest portion of the portfolio, it is also known as "first loss" and is subordinated to all other tranches; hence, it is the first to bear the losses which might occur in the recovery of the underlying assets.
Mezzanine Tranche (B): The tranche with intermediate subordination level between equity and senior tranches. The mezzanine tranche is normally divided into 2-4 tranches with different risk levels, subordinated to one another. They are usually rated in the range between BBB and AAA.
Senior/Super-senior Tranche (B): The tranche with the highest credit enhancement, i.e. having the highest priority claim on remuneration and reimbursement. It is normally also called super-senior tranche and, if rated, it has a rating higher than AAA since it is senior with respect to the AAA mezzanine tranche.

Cap test
A test performed in respect of the originator or the promoter to establish capital requirements in securitisation transactions. Under the regulations, the risk-weighted value of all exposures in respect of a single securitisation cannot exceed the weighted value of the securitised assets, calculated as if said assets had not been securitised (cap). The capital requirement in respect of all exposures to the same securitisation is equal to 8% of the cap.

Categories of financial instruments provided for by IAS 39
Financial assets "held-for-trading", which include: any asset acquired for the purpose of selling it in the near term or part of portfolios of instruments managed jointly for the purpose of short-term profit-taking; assets designated at fair value, under the IAS, this category may include the assets that the entity decides in any case to measure at fair value with value changes recognized through profit and loss, in the cases provided for by IAS 39; *financial assets "held-to-maturity",* non-derivative assets with fixed-term and fixed or determinable payments, that an entity intends and is able to hold to maturity; "*Loans and receivables",* non-derivative financial assets with fixed or determinable payments not quoted in an active market; *financial assets "available-for-sale",* specifically designated as such, or, to a lesser extent, others not falling under the previous categories.

CCF – Credit Conversion Factor
Core Tier 1 ratio
The ratio of *Tier 1 capital*, net of preferred shares, to total risk-weighted assets. *Preferred shares* are innovative capital instruments, usually issued by foreign subsidiaries, and included in the tier 1 capital if their characteristics ensure the banks' asset stability. The Tier 1 ratio is the same ratio inclusive of the preferred shares in the numerator.

Corporate
Customer segment consisting of medium- and large-sized companies (*mid-corporate, large corporate*).

Covered bond
Special bank bond that, in addition to the guarantee of the issuing bank, is also backed by a portfolio of mortgage loans or other high-quality loans sold to a special purpose vehicle.

Credit default swap/option
Contract under which one party transfers to another - in exchange for payment of a premium - the credit risk of a loan or security contingent on occurrence of a default event (in the case of an option the right must be exercised by the purchaser).

Credit derivatives
Derivative contracts for the transfer of credit risks. These products allow investors to perform arbitrage

and/or hedging on the credit market, mainly by means of instruments other than cash, to acquire credit exposures of varying maturities and intensities, to modify the risk profile of a portfolio and to separate credit risks from other market risks.

Past due loans
"Past due loans" are non-performing loans on which payments are past due and/or overdue on a continuing basis for over 90/180 days, in accordance with the definition set forth in current supervisory reporting rules.

CRM
Credit Risk Mitigation.

Default
Declared inability to honour one's debts and/or make the relevant interest payments.

Delinquency
Failure to make loan payments at a certain date, normally provided at 30, 60 and 90 days.

EAD – Exposure At Default
Relating to positions on or off balance sheet, it is defined as the estimated future value of an exposure upon default of a debtor. Only banks meeting the requirements for using the AIRB approach are entitled to estimate EAD. The others are required to make reference to statutory estimates.

EDF – Expected Default Frequency
Frequency of default, normally based on a sample internal or external to the bank, which represents the average risk level associable with a counterparty.

Exotics (derivatives)
Non-standard instruments unlisted on the regular markets, whose price is based on mathematical models.

Fair value
The amount at which an asset could be bought or sold or a liability incurred or settled, in a current transaction between willing parties.

CCF – Credit Conversion Factor
For banks that use the Standardised Approach and the FIRB, the Credit Conversion Factor is the weighting - provided for by the applicable regulations - applied to off-balance sheet exposures to determine their EAD:
- 100% to full-risk guarantees and commitments;
- 50% to medium-risk guarantees and commitments (e.g. margins available on irrevocable credit lines with an original maturity of more than one year);
- 20% to medium-low risk guarantees and commitments (import-export documentary credits);
- 0% to low-risk guarantees and commitments (e.g. undrawn revocable credit facilities);

FiRB
See "*IRB*"

Goodwill
The value attached to intangible assets as part of the purchase price of a shareholding in a going concern.

Grandfathering
Grandfathering clause regarding capital requirements, exempting from IRB treatment equity exposures acquired prior to 31 December 2007 (for more details, see Bank of Italy Circular 263/2006, Title II, Chapter, Part II, Section VI).

IAS/IFRS
The IAS (International Accounting Standards) are issued by the International Accounting Standards Board (IASB). The standards issued after July 2002 are called IFRS (International Financial Reporting Standards).

ICAAP
Under the "Second Pillar" (Title III) banks are required to adopt processes and instruments for implementing the Internal Capital Adequacy Assessment Process, (ICAAP) to determine the amount of capital they need to cover all the risks, including risks different from those covered by the total capital requirement ("First Pillar"), when assessing their current and potential future exposure, taking into account business strategies and developments in the economic and business environment.

IMA
Internal Models Approach: it can be used to calculate market risks.

Impairment
When referred to a financial asset, a situation of impairment is identified when the book value of an asset exceeds its estimated recoverable amount.

AIRB (Advanced Internal Ratings-Based) Approach
Approach to using internal ratings within the framework of the New Basel Accord, which provides for either the Foundation or the Advanced Approach. The Advanced Approach may be used only by institutions meeting more stringent requirements compared to the Foundation Approach. With the Advanced Approach, banks use their own internal estimates for all inputs (PD, LGD, EAD and Maturity) used for credit risk assessment, whereas for Foundation IRB they only estimate PD.

Junior
In a securitisation transaction it is the lowest-ranking tranche of the securities issued, being the first to bear losses that may occur in the course of the recovery of the underlying assets.

LDA - Loss Distribution Approach
It is a model used to assess exposure to operational risk. It makes it possible to estimate the amount of expected and unexpected loss for any event/loss combination and any *business line*.

Cumulative loss
Cumulative loss incurred, at a certain date, on the collateral of a specific structured product.

Loss Given Default (LGD)
It indicates the estimated loss rate in the event of borrower default.

Lower Tier 2
It designates subordinated liabilities that meet the eligibility criteria for inclusion in supplementary (Tier 2) capital.

M–Maturity
The remaining time of an exposure, calculated according to the prudence principle. For banks authorised to use internal ratings, it is explicitly considered if the advanced approach is adopted, while it is fixed at 2.5 years if the foundation approach is used.

Mezzanine
In a securitisation transaction it is the tranche ranking between junior and senior tranche.

Non-performing
Term generally referring to loans for which payments are overdue.

Performing
Term generally referring to loans characterised by regular performance.

Pool (transactions)
See "*Syndicated lending*".

Preferred shares
See "*Core Tier 1*".

Private equity
Activity aimed at the acquisition of equity investments and their subsequent sale to specific counterparties, without public offerings.

Probability of Default (PD)
The likelihood that a debtor will default within the space of 1 year.

Ratings
An evaluation of the quality of a company or of its bond issues, based on the company's financial strength and outlook. Such evaluation is performed by specialised agencies or by the Bank based on internal models.

Retail
Customer segment mainly including households, professionals, retailers and artisans.

Credit risk
The risk that an unexpected change in a counterparty's creditworthiness, in the value of the collateral provided, or in the margins used in case of default might generate an unexpected variation in the value of the bank's exposure.

Market risk
Risk deriving from the fluctuation in the value of quoted financial instruments (shares, bonds, derivatives, securities denominated in foreign currency) and of financial instruments whose value is linked to market variables (loans to customers as concerns the interest rate component, deposits in euro and in foreign currency, etc.).

Liquidity risk
The risk that a company will be unable to meet its payment obligations due to its inability to liquidate assets or obtain adequate funding from the market (funding liquidity risk) or due to the difficulty/impossibility of rapidly converting financial assets into cash without negatively and significantly affecting their price due to inadequate market depth or temporary market disruptions (market liquidity risk).

Operational risk
The risk of incurring losses due to inadequacy or failures of processes, human resources or internal systems, or as a result of external events. Operational risk includes legal risk, that is the risk of losses deriving from breach of laws or regulations, contractual or non-contractual liability or other disputes; it does not include strategic risk (losses due to wrong management strategies) or reputational risk (loss of market shares as a consequence of negative publicity regarding the bank).

Risk Management
Activity pertaining to the identification, measurement, evaluation and overall management of various types of risk and their hedging.

Scoring
System for the analysis of company customers, yielding an indicator obtained by examination of financial statements data and sector performance forecasts, analysed by means of statistical methods.

Senior/Super senior tranche
In a securitisation transaction, this is the tranche that has first claim on interest and principal payments.

Sensitivity
It refers to the degree of sensitivity with which certain assets/liabilities react to changes in rates or other input variables.

Servicer
In securitisation transactions, it is the organisation that – on the basis of a specific servicing contract – continues to manage the securitised credits or assets after they have been transferred to the special purpose vehicle tasked with issuing the securities.

Syndicated lending
Loans arranged and guaranteed by a pool of banks and other financial institutions.

Slotting
A system for calculating capital requirements, based on regulatory classification criteria, applicable to the exposures relating to Specialised Lending by banks authorised to use the internal credit risk rating system (for more details, see Bank of Italy Circular 263/2006, Title II, Chapter 1, Part II, Section V).

SPE/SPV
Special Purpose Entities or Special Purpose Vehicles are companies established by one or more entities to perform a specific transaction. Generally, SPEs/SPVs have no operating and managerial structures of their own and rely on those of the other parties involved in the transaction.

Spread
This term can indicate the difference between two interest rates, the difference between the bid and ask

price of a security or the price an issuer of stocks and bonds pays above a benchmark rate.

Stress tests
A simulation procedure designed to assess the impact of extreme market scenarios on a bank's overall exposure to risk.

Tier 1
Core capital (Tier 1) includes the paid-in capital, the share premium reserve, reserves from retained earnings (including IAS/IFRS first-time adoption reserve other than those included under valuation reserves), and excludes treasury shares and intangible assets. Consolidated Tier 1 capital also includes minority interest.

Tier 2
Tier 2 capital includes valuation reserves, innovative and non-innovative capital instruments not included in Tier 1 capital, hybrid capital instruments, Tier 2 subordinated liabilities, unrealised capital gains on equity investments, excess value adjustments with respect to expected losses, and the other positive elements that constitute capital items of a secondary nature; the positive "prudential filters" of Tier 2 capital are also included. The total of these elements, less net unrealised capital losses on equity investments, negative elements related to loans, other negative elements, and negative Tier 2 "prudential filters", makes up "Tier 2 capital before elements to be deducted". Tier 2 capital is made up of the difference between "Tier 2 capital before elements to be deducted" and 50 per cent of "elements to be deducted".

Total capital ratio
Capital ratio referred to regulatory capital components (Tier 1 plus Tier 2).

Trading book
The portion of a portfolio of securities or other financial instruments earmarked for trading activity.

Upper Tier 2
Hybrid capital instruments (e.g., perpetual loans) that make up the highest quality elements of Tier 2 capital.

Intangible asset
An identifiable, non-monetary asset lacking physical substance.

VaR - Value at Risk
The maximum value likely to be lost on a portfolio as a result of market trends, estimating probability and assuming that a certain amount of time is required to liquidate positions.

Collective assessment of performing loans
With reference to a homogeneous group of regularly performing financial assets, collective assessment defines the degree of credit risk potentially associated with them, though it is not yet possible to tie risk to a specific position.

Contacts

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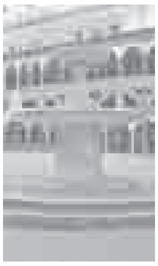
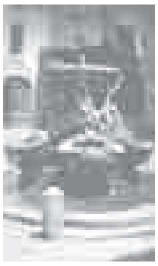
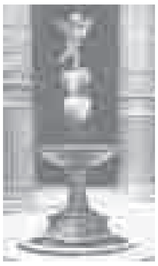
Intesa Sanpaolo is the most widespread bank in Italy. Its leadership stems not only from its size but also thanks to its ability to interpret and respond to the needs of the areas in which it is present.
This commitment can be seen in the choice of maintaining and enhancing all the banks in the group, since it is they that allow Intesa Sanpaolo to present itself to the market as a fully-fledged citizen of every place in which it operates.
This is the reason the illustrations chosen for this report have been inspired by the rich cultural wealth of our cities. They show the major fountains of each regional capital and of the head office cities of the Banche dei Territori. It is a tribute to Italian tradition and history. But it is also emblematic of the willingness to communicate and establish relationships that typifies the people of Intesa Sanpaolo and of the banks in the group.


1. Padova
Fountain, Piazza delle Erbe


2. Roma
Fontana delle Tartarughe, Piazza Mattei


3. Firenze
Courtyard fountain, Palazzo Vecchio


4. Venezia
Fountain, Excelsior Palace Hotel


5. Campobasso
Fountain, Piazza Vittorio Emanuele

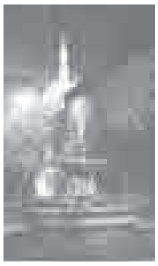

6. Torino
Fontana angelica delle Quattro Stagioni, Piazza Solferino


7. Genova
Fontana di Nettuno, Palazzo Doria Pamphilj


8. Forlì
Fountain, Piazza Ordelaffi


9. Napoli
Fountain, Capodimonte Gardens

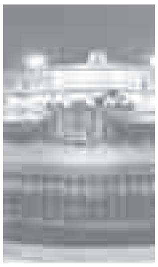

10. Bologna
Fontana del Nettuno, Piazza Maggiore

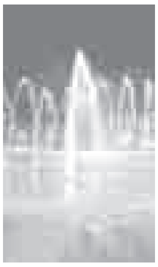

11. Milano
Fountain, Piazza Fontana


12. Perugia
Fontana Maggiore, Piazza IV Novembre


13. Palermo
Fontana del Tritone, Archaeological Museum


14. Pesaro
Fountain, Piazza Maggiore


15. Bari
Fountain, Piazza Aldo Moro


16. Cagliari
Fontana della passeggiata, Via Roma


17. L'Aquila
Detail of the Fontana delle 99 Cannelle, Piazza San Vito


18. Aosta
Fountain, Via Croce di Città


19. Trieste
Fontana dei Tritoni, Piazza Vittorio Veneto


20. Catanzaro
Fountain, Piazza Santa Caterina


21. Trento
Fontana di Nettuno, Piazza del Duomo


22. Potenza
Fountain, Montereale Park


23. Ancona
Fontana dei Cavalli, Piazza Roma


24. Gorizia
Fountain, Piazza della Vittoria

Credits
1 Photo by Ioannis Schinezos - Padova
2 Fratelli Alinari History of Photography Museum - Malandrini collection, Firenze
3-4-7-9-14-17-21 Archivi Alinari - Alinari archive, Firenze
5 Photo by Giuseppe Terrigno - Campobasso
6 Archivi Alinari - Anderson archive, Firenze
8 Photo by Giorgio Sabatini - Forlì
10 Archivi Alinari, Firenze
11 Touring Club Italiano/Archivi Alinari, Milano
12 Fratelli Alinari History of Photography Museum - Pasta archive, Firenze
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